

# Introduction

---

A factory closes in your town. Three hundred people lose their jobs because the company has decided to move its production to Mexico. What will all of those former employees do for work?

You are thinking about applying for a summer job at a new clothing store because they carry attractive but modest apparel. However, it is the seventh clothing store in the same shopping area. If it doesn't stay in business, you may be out of work for the rest of the summer. What should you do?

A family that lives down the street is moving. The mother in that family had to have surgery for a brain tumor. They are having a hard time paying all of the medical expenses, so they are moving to a less expensive house. How can people avoid these situations?

In the early 1960s, gasoline cost twenty-five or thirty cents a gallon. Today, gasoline prices change constantly and can go from two dollars a gallon to four dollars a gallon and back again in a year. What causes these changes?

The promises that a presidential candidate makes regarding economic policy sound good—but the promises of another candidate sound good also, even though they embody the opposite policy priorities. Which candidate should you support? Are either candidate's proposals realistic?

You hear the men at church talking about an increase in taxes that the government is considering. You hear them say that it will be a one percent increase. That doesn't sound like very much. What's the problem?

Every few days, the news reports some statistic: the unemployment rate, new housing starts, a change in the Consumer Price Index, or something else. What do all of these numbers mean?

You want to be a good steward of the resources, including the money, that God provides for you. You want to live, work, and think about the world around you in a way that will honor God. What do you need to understand in order to accomplish these goals?

These are just some of the reasons why you need to study economics.

## Content and Structure

*Exploring Economics* is a one-semester high school course that provides an overview of the field of economics. It is designed to help you understand economic terms and issues that have an impact on the United States and its citizens.

The course begins with an overview of economic terms and concepts and some of the more important economic theories. Two units (ten lessons) are devoted to what we call God's Economics: what the Bible says about economics, business, and wealth; a survey of economic ideas in church history; and economic issues that Christians face today. One unit (five lessons) provides a brief survey of the economic history of the United States to put our present situation in context. Eight units (forty lessons) present economic ideas, terms, and realities in greater detail. Two units then discuss vital economic issues that confront America today and show how the ideas presented earlier in the curriculum are related to these issues.

We hope that the field of economics will be made more clear by this three-fold presentation: brief overview, detailed discussion, and application to contemporary issues. The final unit in the curriculum puts all of what has been previously discussed on a personal level by presenting economic priorities and decisions that affect individuals and families.

## Guidelines and Goals

*Exploring Economics* was written to fulfill the standards of the National Council for Economic Education ([www.ncee.net](http://www.ncee.net)). However, our goal has been not just to assemble the required definitions, statistics, and charts, but to provide an understanding of what economics is and what it means to you now and what it will mean to you in your adult life.

Some of you who study this course will go on to take an economics course in college. Probably very few of you who study this curriculum will become economists. But everyone who studies this course will be affected by economics, so having a grasp of the basic issues in the field is helpful. If you shop for clothes or groceries or gasoline, if you buy imported goods, if you start a business, if you read the headlines, if you support and vote for political candidates, you will find it helpful to understand some things about economics. If you are ignorant, you can be misled by people who have all sorts of agendas. The danger of ignorance is real in many areas of life, but it is especially true when it comes to your money.

## Our Perspective

This curriculum approaches the subject of economics from a perspective of faith in God and a reliance on the Bible as God's infallible Word to man. Since issues involving money are so important to people and can have such a huge impact on a person's walk with the Lord, the teachings of the Bible are essential to a proper understanding of economics.

We believe in the strengths of the capitalist free-market system. We believe that the free market system has done more than any other economic system to help people live well in material terms; to provide outlets for them to use their God-given talents and resources; and to enable them to know personal, political, and economic freedom. By contrast, economies planned by central government bureaucrats have proven to be an inefficient and sometimes destructive way to guide the economic life of a country.

At the same time, we recognize the limitations of capitalism. Capitalists are humans, and humans are sinners. Capitalists can be greedy, unjust, and exploitative. Sometimes people take advantage of a free system to do wrong for personal gain. (Of course, those who are committed to or involved with a socialist or government-planned economy can do wrong and be selfish also.) Sometimes, for any number of reasons, the free market does not work completely smoothly; and as a result, economic difficulties occur. The human factor is why government regulations have been found necessary even in free-market economies. However, unreasonable or ineffective government regulations go too far and are hurtful and counterproductive. The dynamic of imperfect people seeking to live by (and sometimes work around) economic principles and ideals makes economics fascinating and leads to lively debates.

It is also important to understand what a study of economics does not include. Economics is not a study of business or business administration, although business activity

is a vital part of the economy. You will not learn about the best way to organize a business, how to hire and motivate employees, good bookkeeping and accounting practices, or other matters related to running a business. Economics is also not a study of personal finance. You will not learn how to balance a checkbook or how to shop wisely. These are important topics, but you can learn about these and other such issues in a course on consumer math. This course considers personal financial matters in the context of broader economic activity.

## The World of Economics Today

We live in a time when the classic definitions of economics are being challenged. The communist nation of China, which has a history of central economic planning, is promoting capitalist enterprises within its borders (the Chinese call it socialism with a Chinese flavor). At the same time, the traditionally capitalist United States has seen a great increase in government involvement in economic planning and oversight in recent decades. Understanding the classic definitions is important, but we must also understand the changing economic realities of today.

When this curriculum was being put into final form, the United States and the world were working through the most difficult economic trial since the Great Depression of the 1930s. Following several years of prosperity, major banks, investment companies, and landmark American businesses failed; unemployment rose significantly; and the effects of a severe recession were widespread. The times in which this curriculum was written should be sufficient evidence for this generation to realize that a study of economics is relevant and vital. We hope that this curriculum will help you understand the new economic realities while you gain an insight into topics that have long been associated with the study of economics.

In addition, please note that the websites and specific Internet sources cited in the text were current when this curriculum was written. Websites change and sources can be taken down at any time. We do not control the content accessed through these links, and a link to any site does not imply our endorsement. Please use care and discretion while browsing the Internet, and let us know if any of the links are outdated or inappropriate.

## Acknowledgments

The materials we publish are always family projects. We have all had a hand in helping this curriculum come to fruition. In particular, I want to mention that Mary Evelyn Notgrass did her usual wonderful job of graphic design for the lessons and the book covers. John Notgrass assisted with the book layout and provided input on the lessons based on his study in government, history, and economics.

We have also benefited from the work of several other people. Ellen Petree, a teacher who is state certified in economics, reviewed the material and offered valuable insights. Larry Raper, who understands economic issues well because of his career with a major insurance company, also read the lessons and made many helpful suggestions. Olive Wagar did her usual great job of proofreading and checking Bible references. I am grateful for the help that these and other people have provided, but any errors and shortcomings are mine.

May we all be wiser stewards (the Greek word is *oikonomoi*, from which we get the English word economics) of the great gifts God gives us, and may He be honored through this curriculum.

Ray Notgrass  
Gainesboro, Tennessee  
December 2009  
ray@notgrass.com

# How to Use This Curriculum

---

*Exploring Economics* contains 75 lessons in fifteen units, with five lessons in each unit. You should plan on completing one lesson per day and five lessons per week. The lessons have readings and other assignments associated with them. Each day, you should plan on reading the lesson in this text and completing the assignment associated with it. The assigned readings are found in the accompanying anthology, *The Stewardship of God's Riches*. One assignment each week is an Econ Lab activity, which will help you apply what you have been learning to real-life situations. Each week you will also be given a writing assignment, which will give you the opportunity to express your understanding of the issues that have been discussed.

If you use the optional *Quiz and Exam Book*, you should plan on answering the review questions on each lesson and supplemental reading on the day you read them. The *Quiz and Exam Book* also has a quiz over each unit, which should be completed at the end of each week. Three exams cover units 1-5, 6-10, and 11-15. The quizzes and exams do not include any questions from the readings except for one question on the third exam that asks you to tell about one reading that you especially enjoyed. An answer key for the review questions, quizzes, and exams comes with the *Quiz and Exam Book*.